

HINTS FOR HOMEOWNERS

Common Myths About Federal Disaster Assistance: Know The Facts

(NAPS)—As the flood finally came to an end, many families were eager to return home, but nothing could have prepared them for the conditions they had to confront on their return. Most people found extensive damage to their personal belongings and homes. In most of the homes, the water line on the walls was clearly visible, and a thick layer of dirt and mud covered the floor. Some were surprised to learn their homeowners insurance would not cover flood losses.

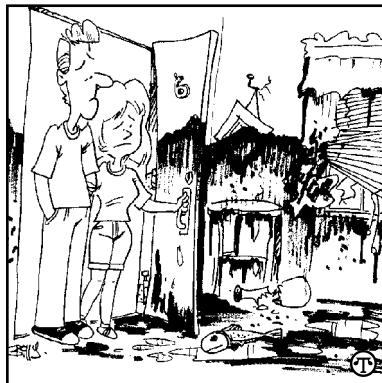
The only thing that kept them going was the expectation that they would receive federal disaster assistance. Unfortunately, as the Federal Emergency Management Agency (FEMA) explains, there are quite a few commonly held misconceptions about federal disaster assistance.

- *The federal government has total responsibility for disaster recovery following a flood.*

Not true. State and local governments are primarily responsible for preparing for disasters and coping with them when they occur. Federal resources are only intended to supplement local and state resources. The President must declare a major disaster before federal disaster assistance becomes available, but only a small percentage of disasters are declared major disasters.

- *Federal disaster assistance will return homes and businesses to their pre-flood condition.*

Unfortunately, after a disaster has seriously damaged homes and communities, they may never be the same. Nor is disaster assistance sufficient to replace everything a family has lost. In fact, most federal disaster assistance is in the form of loans which must be repaid with interest. Limited grants are given to victims who would not be able to repay a disaster loan, but they are relatively small and do not fully compensate victims for their losses.



- *When federal agency representatives arrive, they will immediately distribute money to flood victims.*

Flood victims receive immediate assistance for basic necessities, such as food, clothing and shelter. Individuals must apply for grant assistance and federal loans to help them rebuild their lives and homes.

- *Federal flood disaster aid makes insurance unnecessary.*

Not true. Families and businesses should have flood insurance for comprehensive protection. Federal disaster assistance is provided to meet only the most basic disaster-related needs not covered by other means. For instance, following the nine-state, Midwest floods of 1993, the average individual disaster assistance grant was \$2,500, while the average flood insurance claim paid was \$25,000.

Only flood insurance can provide complete coverage against the devastation of flooding. If you have adequate flood insurance coverage, you can be reimbursed for *all* your covered losses, whether or not the flood is declared a major disaster—and the majority of floods are not.

For information about flood insurance, call 1-800-427-9662. For more information on disaster assistance and flooding, visit FEMA's World Wide Web at <http://www.fema.gov>.